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AMERICAN MALTING COMPANY.

ANNUAL REPORT

For the Year Ended August 31, 1912.

AMERICAN MALTING COMPANY.

ANNUAL REPORT.

1912.

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and is available ONLINE.**

AMERICAN MALTING COMPANY.

DIRECTORS.

DANIEL J. CARROLL.
MICHAEL COLEMAN.
THOMAS B. HIDDEN.
HENRY B. KETCHAM.

JOHN C. McCUNE.
THOMAS S. OLLIVE.
WILLIAM E. PAINE.
ALBERT N. PARLIN.
WILLIAM BARCLAY PARSONS.

CHARLES SOHNGEN.
CHARLES A. STADLER.
WILBERFORCE SULLY.
CHARLES H. ZEHNDER.

Executive Committee.

MICHAEL COLEMAN.
WILLIAM E. PAINE.
ALBERT N. PARLIN.
CHARLES A. STADLER.
WILBERFORCE SULLY.
CHARLES H. ZEHNDER.

Finance Committee.

ALBERT N. PARLIN, Chairman.
MICHAEL COLEMAN.
CHARLES A. STADLER.
WILBERFORCE SULLY.
CHARLES H. ZEHNDER.

OFFICERS.

President.

CHARLES A. STADLER.

Chairman of the Board.

WILBERFORCE SULLY.

Secretary.

JOHN C. McCUNE.

Treasurer.

HENRY EGGERKING.

Transfer Agent.

GUARANTY TRUST CO. OF NEW YORK, No. 28 Nassau Street, N. Y. City.

Registrar of Stock.

CHASE NATIONAL BANK, 83 Cedar Street, N. Y. City.

General Offices.

Sixty-third Street and East River, Borough of Manhattan, New York City.

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AMERICAN MALTING COMPANY.

ANNUAL REPORT

For the Year Ended August 31, 1912.

NEW YORK, October 23, 1912.

To the Stockholders of the American Malting Company:

The Board of Directors herewith submit their report and statements of account for the fiscal year ended August 31, 1912:

Profit on malt, barley and other products dealt in, including interest on securities owned,
loans and balances..... \$1,172,763 40

DEDUCT.

Interest on Mortgage Bonds.....	\$166,269 08	
“ Underlying Mortgages.....	5,700 00	
Taxes.....	99,332 72	
Amount expended in betterment and maintenance.....	91,142 80	
		362,444 60
Net profit from year's operations		\$810,318 80

During the year “Property, Plants and Good-will” Account was decreased \$15,000 by the proceeds from sale of unused property at Chicago, Ill.

Owing to the payment by the Company of two dividends during the fiscal year aggregating \$2.48 per share on the Preferred Stock, and in consequence of the provisions of the First Mortgage securing its outstanding bonds, the Company became indebted to the Sinking Fund in the sum of \$179,056 and settled the same by the delivery of bonds to the Trustees of the said Fund for cancellation to the amount of \$174,000 (par value), said bonds being credited by the Trustees of the Sinking Fund at par and accrued interest, thereon (\$178,350), together with cash for the balance of said sum not represented by said bonds at par and accrued interest, namely, \$706.

In addition to the above there was also paid into the Sinking Fund the sum of \$25,000 as an equivalent of the amount at which property sold in Chicago was valued by a former appraisal made for

the Trustees of the First Mortgage. This sum together with the balance standing in the Sinking Fund at the beginning of the year and \$706 paid in at dividend periods, amounting to \$27,767.38, was reduced by the purchase for cancellation of \$27,000 (par value) of the Company's First Mortgage Bonds from those held in the Company's Treasury at 101 and accrued interest (\$27,504), leaving a balance of \$263.38 standing to debit of said Sinking Fund. The retirement of bonds as above reduces the Company's outstanding Mortgage Bond liability to \$2,834,000, as shown by the balance sheet.

During the year the Company purchased in the open market \$86,000 (par value) of the Company's Mortgage Bonds for the Treasury.

Adding those purchased, and deducting \$201,000 (par value) cancelled through the operation of the Sinking Fund from those in the Treasury, leaves a par value of \$91,000 in the Company's Treasury, which are held free as quick assets.

During the year "Securities of other Companies" was reduced \$7,100 by the sale of securities acquired in the settlement of a claim, and "Mortgages on Real Estate" \$64,000 by the payment of two mortgages.

Your Company begins its present fiscal year under the following conditions :

Cash in Banks and Trust Companies.....	\$723,864 11
Bonds purchased for account of Treasury.....	91,000 00
Mortgages on Real Estate.. ..	95,000 00
Securities of other Companies.....	18,725 00
Accounts and Bills Receivable.....	2,436,466 70
Inventories.....	2,401,685 59
Total.....	\$5,766,741 40

Liabilities other than Funded Debt :

Accounts Payable.....	\$65,012 26
Accrued Taxes	29,446 35
Accrued Interest on Bonds.....	42,510 00
	<hr/>
	\$136,968 61
Less Insurance and Taxes anticipated against fiscal year 1912-1913.....	38,667 24
Total liability.....	98,301 37
Leaving net working capital.....	\$5,668,440 03

The inventories of barley and malt have been valued at a figure under cost, and since the close of the fiscal year contracts have been made for the sale of all the malt and barley on a malt basis on hand August 31, 1912, at a profit.

The weather in the Summer of 1911 was very unpropitious for the growth and proper development of barley and the result was a small crop of poor quality and a higher average price for barley during the entire season of 1911-12 than had ruled for forty years. A large amount of cash was required to handle the business of the Company which was above the average in volume, well over \$10,000,000 being tied up for a considerable period of time in the inventories of barley and malt and accounts and bills receivable and other quick liquid assets of the Company. However, the high degree of credit enjoyed by your Company and its management is evidenced by the fact that we were able easily to handle our business by discounting the promissory notes of the Company to the extent neces-

sary at the lowest rates of interest prevailing for the best commercial paper. Moreover, we call the attention of our Stockholders to the fact that all such loans were paid prior to August 31, 1912, the balance sheet of that date showing no bills payable outstanding. The smaller cash balance on hand at the close of the fiscal year and the larger amount represented by the inventory are due to the fact that there was on hand at the close of the fiscal year an inventory of malt of the usual quantity made from the high-priced barley of last year remaining to be delivered on contracts of sale. Most of that malt has actually been delivered since the close of the fiscal year to brewers to whom it was due, leaving a very small balance still to be taken on the contracts of last year and this is being rapidly delivered and paid for at the contract prices. Collections are excellent, and have been in such volume since the close of the fiscal year that we have been able to handle our business thus far this season without discounting any of our paper, and it is anticipated that, owing to the larger crop and consequent lower price of barley, it will not be necessary to borrow during the current fiscal year to any great extent, if at all.

For convenient reference by Stockholders in considering the progress made by the Company over a series of years we subjoin a statement of the net earnings of the American Malting Company for the years named, the amounts being net earnings in excess of all charges, of every kind, including maintenance and interest on bonds.

YEAR ENDED

August 31, 1908, net in excess of all charges as above.....	\$952,703 79
“ 31, 1909, “ “ “	557,382 90
“ 31, 1910, “ “ “	242,451 59
“ 31, 1911, “ “ “	763,040 30
“ 31, 1912, “ “ “	810,318 80
Total net earnings for the 5 years last past.....	<u>\$3,325,897 38</u>
Average annual net earnings for the period of 5 years.....	<u>\$665,179 47</u>

During the year additional amounts of Preferred and Common Stock have been deposited under the Plan for Reduction and Readjustment of Capital and exchanged for stocks of the American Malt Corporation in accordance with the terms of the Plan, so that less than 2.43 per cent. of the Capital Stock of the American Malting Company remains outstanding in the hands of the public unassented to the Plan.

Notice is hereby given to holders of non-assented stock that the Guaranty Trust Company of New York, No. 28 Nassau St., N. Y. City, is now acting as depository of said stock under said Plan in place of the Standard Trust Company.

For the Board of Directors,

WILBERFORCE SULLY,
Chairman.

AMERICAN MALTING COMPANY.

GENERAL BALANCE SHEET.

ASSETS.		
	AUGUST 31, 1912.	AUGUST 31, 1911.
Property, Plants and Good-Will.....	\$27,585,001 08	\$27,600,001 08
Common Stock returned to Treasury	1,100,000 00	1,100,000 00
Cash in Banks and on hand.....	723,864 11	1,355,880 81
Accounts and Bills Receivable.....	2,436,466 70	2,204,497 21
Inventories.....	2,401,685 59	1,513,937 63
Bonds purchased for account of Treasury	91,000 00	206,000 00
Mortgages on Real Estate.....	95,000 00	159,000 00
Securities of other Companies.....	18,725 00	25,825 00
Special Deposit (Trustees of Sinking Fund).....	263 38	2,061 38
Unexpired Insurance and Taxes.....	38,667 24	31,261 63
Total.....	\$34,490,673 10	\$34,198,464 74
LIABILITIES.		
	AUGUST 31, 1912.	AUGUST 31, 1911.
Capital Stock, Preferred.....	\$14,440,000 00	\$14,440,000 00
Capital Stock, Common	14,500,000 00	14,500,000 00
First Mortgage Bonds.....	2,834,000 00	3,035,000 00
Underlying Mortgages.....	114,000 00	114,000 00
Accrued Interest on Bonds.....	42,510 00	45,525 00
Accrued Taxes.....	29,446 35	29,173 90
Accounts Payable.....	65,012 26	21,268 15
Reserve Account.....	100,000 00	100,000 00
Surplus Account.....	1,555,385 69	1,913,497 69
Profit for Year ended August 31, 1912.....	810,318 80	
Total.....	\$34,490,673 10	\$34,198,464 74

JOHN C. McCUNE, *Auditor.*

PUBLIC ACCOUNTANTS' CERTIFICATE.

FIRM OF FARQUHAR J. MACRAE,
CERTIFIED PUBLIC ACCOUNTANTS,
68 WILLIAM STREET,
NEW YORK.

HASKINS & SELLS,
CERTIFIED PUBLIC ACCOUNTANTS,
30 BROAD STREET,
NEW YORK.

We have examined the books, records, and accounts of the American Malting Company as at the close of business August 31, 1912.

The securities of other companies and mortgages on real estate were examined and, in our opinion, are conservatively valued.

The inventories were taken by the Company in the usual way and we have verified the mathematical calculations and prices.

We verified the cash in hand and on deposit by count and by certificates obtained from various depositories, the cash in the hands of the Trustees of the Sinking Fund by certificate of the depository, and the capital stock and bonds outstanding by certificates obtained from the Transfer Agent and Trustee, respectively.

The bills and accounts receivable were examined and we are of the opinion that sufficient reserve has been provided for all that may prove to be uncollectible.

The plants and good-will are stated at their cost to the Company less the amount realized from the property sold and credits for common capital stock returned to the Company. All of the maintenance and repair expenditures have been charged to the operating accounts. Subject to the foregoing.

WE HEREBY CERTIFY that the above General Balance Sheet, August 31, 1912, agrees with the books of the Company and is correct.

(Signed) FIRM OF FARQUHAR J. MACRAE,

(Signed) HASKINS & SELLS,

Certified Public Accountants.

NEW YORK, September 25, 1912.

AMERICAN MALT CORPORATION.

AMERICAN MALT CORPORATION.

DIRECTORS.

DANIEL J. CARROLL.

THOMAS S. OLLIVE.

WILBERFORCE SULLY.

MICHAEL COLEMAN.

ALBERT N. PARLIN.

CHARLES A. STADLER.

THOMAS B. HIDDEN.

WILLIAM BARCLAY PARSONS.

CHARLES H. ZEHNDER.

OFFICERS.

President :

WILBERFORCE SULLY.

Vice-President :

CHARLES A. STADLER.

Secretary :

JOHN C. McCUNE.

Treasurer :

HENRY EGGERKING.

Transfer Agent :

EMPIRE TRUST COMPANY,
No. 42 Broadway, New York City.

Registrar of Stock :

GUARANTY TRUST COMPANY OF NEW YORK,
No. 28 Nassau Street, New York City.

General Office :

No. 15 Exchange Place, Jersey City, N. J.

AMERICAN MALT CORPORATION,

NO. 15 EXCHANGE PLACE,

JERSEY CITY, N. J., October 23, 1912.

To the Stockholders of the

American Malt Corporation:

Since our last report to you, under date of October 16, 1911, additional deposits of Common and Preferred Stock of the American Malting Company have been made under the Plan for Reduction and Readjustment of Capital, so that the total amounts owned by your Company are as follows:

Common Stock.....	\$13,058,800
Preferred Stock	14,080,500

thus leaving outstanding unassented to said Plan the following amounts:

Common Stock.....	\$341,200
Preferred Stock.....	359,500

(The balance of the outstanding Common Stock of the American Malting Company, viz.: \$1,100,000 is held in the Treasury of that company.)

The amounts shown to be still outstanding in the hands of the public constitute less than 2.43 per cent. of the entire Capital Stock of the American Malting Company.

In consequence of these deposits, additional amounts of the Common and Preferred Stock of the Corporation have been issued in exchange therefor.

The following statement shows the disposition thus far made of the Capital Stock of your Company, namely:

	Common.	Preferred.
Issued in exchange for stock of the American Malting Company, deposited under the Plan.....	\$5,745,872	\$8,729,910
Reserved for outstanding stock of American Malting Company as yet undeposited.....	150,128	222,890
Left free in Treasury for general purposes of the Corporation	104,000	47,200
Total.....	<u>\$6,000,000</u>	<u>\$9,000,000</u>

On September 25th, 1912, the Directors of the American Malting Company declared a semi-annual dividend of \$1.55 per share upon the Preferred Stock of that Company, payable on November 1, 1912.

As your Company is the owner of 140,805 shares of the Preferred Stock of the American Malting Company, the payment of this dividend will bring into your Treasury the sum of \$218,247.75.

At a meeting of the Directors of the American Malt Corporation subsequent to the declaration of the above-mentioned dividend, your Directors declared a semi-annual dividend upon the Preferred Stock of the Corporation of two dollars and fifty cents (\$2.50) per share, payable on and after November 2, 1912.

We herewith hand you for your information the Annual Report of the operations of the American Malting Company for the year ended August 31, 1912.

By order of the Board,

WILBERFORCE SULLY,

President.



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